

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY NDJAMENA PRIORITY

UNCLAS STATE 236369

E.O. 11652: N/A

TAGS: PINT, EGEN, EMIN, GC

SUBJECT: MOBUTU ANNOUNCES NEW ECONOMIC MEASURES

FOR AF/C - HJCOHEN

THE FOLLOWING TEL RECVD FROM KINSHASA DATED NOV 30, 1973

TO SECSTATE WASHDC AND BRUSSELS IS REPTED:

QTE UNCLAS KINSHASA 10325

E.O. 11652: N/A

TAGS: PINT, EGEN, EMIN, CG

SUBJECT: MOBUTU ANNOUNCES NEW ECONOMIC MEASURES

1. FOLLOWING ARE HIGHLIGHTS OF PRESIDENT MOBUTU'S
NOV. 30 MAJOR ECONOMIC SPEECH TO THE NATIONAL LEGISLATIVE
COUNCIL. SPEECH TO MASS RALLY LATER IN THE DAY WILL BE
REPORTED SEPARATELY. THIS A PRELIMINARY SUMMARY BASED
ON EMBASSY MONITORING OF LIVE BROADCAST. IT IS
SUBJECT TO REVISION WHEN WRITTEN VERSION AVAILABLE
(PROBABLY DECEMBER 1).

A. IN MINING, ANY CONCESSION GIVEN TO AN INVESTOR
MUST INVOLVE 50 PERCENT EQUITY PARTICIPATION FOR GOZ. IT NOT
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ENTIRELY CLEAR WHETHER THIS APPLIES ONLY TO FUTURE CON-

CESSIONS OR ALSO APPLIES TO CONCESSIONS SUCH AS SMTF, GULF.

B. ZAIRIANIZATION OF ENTERPRISES IS TO BE PUSHED.

IN 1975, ALL COMPANIES WHICH WILL HAVE BEEN IN ZAIRE FOR 5 YEARS MUST HAVE ZAIRIANS IN TOP MANAGEMENT. NEW COMMISSION MADE UP OF UNTZA (TRADE UNION), ANEZA, (EMP. FED.), DEPTS. OF LABOR AND NATIONAL ECONOMY AND PRESIDENCY REPLACES NATIONAL EMPLOYMENT SERVICE AS BODY TO DECIDE ON EMPLOYMENT OF FOREIGNERS IN ENTERPRISES.

C. FROM TODAY, PLANTATIONS, RANCHES, FARMS, QUARRIES WILL BE EXPLOITED (OWNED) BY ZAIRIANS. THOSE DEVELOPED WITH FUNDS FROM "CREDIT COLONAT" BELONG AUTOMATICALLY TO ZAIRIANS, OTHERS DEVELOPED BY FOREIGN PERSONS OR ORGANIZATIONS WILL RECEIVE FAIR INDEMNITY WITHIN 6 YEARS. ABANDONED HOUSES AND PLANTATIONS ARE HENCEFORTH STATE PROPERTY. (IT UNCERTAIN WHETHER THIS APPLIES TO UNILEVER AND ENTERPRISE MOBUTU SPECIFICALLY PRAISED.

D. ALL COPPER MUST BE REFINED IN ZAIRE BY 1980. SYSTEM TO BE DEVELOPED TO CONTROL DESTINATION OF COPPER. BELGIAN DIRECTOR OF GECAMINES REPLACED BY ZAIRIAN CITIZEN. HENCEFORTH, ALL AFFILIATES OF UNIONMINIERE BECOME 100 PERCENT ZAIRIAN AS IS GECAMINES AT PRESENT. COMPANIES NAMED INCLUDE MIBA (DIAMONDS), FORESCOM (RUBBER - REAL ESTATE), BECEKA (MANGANESE).

E. TIMBER EXPLOITATION TO BE CLOSELY CONTROLLED. EXPORT OF LOGS IS FORBIDDEN EXCEPT UNDER SPECIAL PERMISSION GIVEN ONLY TO ZAIRIANS.

F. RAPID, PROGRESSIVE ZAIRIANIZATION OF INTERNAL AND FOREIGN TRADE TO TAKE PLACE. COMPANIE MARITIME DU ZAIRE, 50 PERCENT ZAIRIAN OWNED, REPLACED BY NEW 100 PERCENT ZAIRIAN OWNED COMPANIE MARITIME ZAIROISE. AGENCE MARITIME ENTIRELY CONTROLLED BY NEW CMZ WILL BE SET UP. NEW CMZ WILL HAVE MONOPOLY ON EXPORTS BY SEA FROM ZAIRE BUT CAN CEDE SURPLUS BUSINESS TO FOREIGN SHIPPERS ON OWN CONDITIONS. CMZ TO HANDLE ALL IMPORTS FOR GOZ AND OFFICERS

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THEREOF NOT COMING UNDER TIED AID UMBRELLA.

G. WHOLLY ZAIRIAN OWNED INSURANCE COMPANY SONAS HENCEFORTH TO INSURE ALL EXPORTS. FIRE INSURANCE, REAL ESTATE, INSURANCE CONNECTED WITH CONSTRUCTION STATE OWNED BUILDINGS TO BELONG TO SONAS. SONAS ALSO TO SET UP CAR INSPECTION SERVICE AND ALL CARS TO BE INSPECTED.

H. OFFICE NATIONAL DU LOGEMENT TO BE REPLACED BY
NEW ENTERPRISE NATIONALE DE CONSTRUCTION (ENC). ALL
STATE SPONSORED CONSTRUCTION TO BE HANDLED BY THIS NEW
ORGANIZATION.

I. ECONOMIC SABOTAGE. ZAIRIAN PRODUCTS BEING SUMUGGLED OUT OF
COUNTRY BY FOREIGNERS. DECISION TAKEN TO FORBID
PAKISTANIS FROM RESIDING IN KIVU, HAUT ZAIRE, AND SHABA.
PORTUGUESE FORBIDDEN TO RESIDE IN REGIONS OF BAS ZAIRE,
BANDUNDU, KASAI OCCIDENTALE AND SHABA. UNDER CONTROL
AND ARBITRATION THEY MUST IMMEDIATELY CEDE THEIR
PROPERTY IN THOSE REGIONS TO ZAIRIANS.

2. THRUST OF SPEECH WAS THAT ZAIRE FINALLY CLEARING
AWAY UNDERBRUSH OF VESTIGES OF COLONIALISM. WHILE
DECISIONS ANNOUNCED UNLIKELY TO GO DOWN WELL IN BELGIUM,
MOBUTU WOUND UP BY DESCRIBING CURRENT STATE OF RELATIONS
WITH BELGIUM AS "EXCELLENT". HE PRAISED THOSE BELGIANS
WHO HAS ADJUSTED TO BUSINESS CONDITIONS IN MODERN ZAIRE,
AND HE INVITED BELGIANS TO TAKE ADVANTAGE OF OPPOR-
TUNITIES CREATED BY NEW ECONOMIC STEPS.

3. IN TERMS OF OTHER FOREIGN INVESTORS, PRESIDENT SAID
THAT "AS LONG AS I AM BOSS IN ZAIRE, ALL WHO HAVE INVESTED
SINCE 1969 WILL BE SATISFIED AND PROUD OF HAVING HAD
CONFIDENCE IN ME BECAUSE OF MY RESPECT FOR MY WORD. HE
CLOSED SPEECH BY NOTING THAT NEW U.S. AND JAPANESE
INVESTORS ADMIRABLE BECAUSE THEY ARE DYNAMIC, STRAIGHT-
FORWARD IN BUSINESS AND WORK FAST.
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